GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4309
ANSWERED ON:11.08.2017
Linkage of Aadhaar with Bank Accounts
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to mandatory Aadhaar linkage to bank accounts and if so, the details thereof;

(b) whether the Reserve Bank of India (RBI) has raised any objection to use Aadhaar as KYC document and if so, the details and objections thereof;

(c) whether the Government has any methodology to identify duplicate PAN cards and if so, the details thereof; and

(d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) Prevention Money-laundering (Maintenance of Records) Rules, 2005 has been amended on 01.06.2017. With the said amendments, Aadhaar number has become primary Know Your Customer (KYC) document under Prevention Money-laundering Rules.

(b) No, Sir.

(c) & (d) During process of allotment of PAN, probable duplicates are identified by the system automatically with the help of demographic data (Name, Date of Birth, Status, Father''s name, Gender) of the PAN applicant. These probable duplicates are than resolved by respective Regional Computer Centre (RCC) through manual duplicate resolution. If it is found that an actual duplicate PAN exists then it is informed to the PAN applicant otherwise a new PAN is allotted.

Income Tax Department also conducts PAN de-duplication exercise with the help of software of outside vendor. One such exercise was conducted during 2004-07. In this exercise probable duplicate PANs were identified which were consequently deleted/de-activated by the concerned Assessing Officers through systems software after their verification.

Assessing officer also can delete/de-activate PANs if information of allotment of more than one PAN is received from the PAN holder.

Demographic criteria based de-duplication has its own shortcomings due to which it is sometimes found ineffective in preventing allotment of duplicate PAN. Since around 97.25% PANs are allotted to Individuals therefore it was decided to use Aadhaar for ensuring allotment of One PAN to One Taxpayer. Section 139AA of Income Tax Act, 1961 has recently been introduced through Finance Act, 2017 which provides mandatory quoting of Aadhaar by Individuals in new as well existing PANs. Going forward Aadhaar quoting is expected to ease the problem of allotment of duplicate PAN.